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Matters relating to the least developed countries

Provisions on support and flexibility for the least developed countries and the assistance thereof to a smooth transition from least developed country status

Report by the secretariat*

Summary

This report contains information on the provisions for support and flexibility provided to the least developed countries under the Convention and the Paris Agreement, and on how the provisions can assist countries in making a smooth transition from least developed country status, in the light of United Nations General Assembly resolution A/67/221.

* This document was submitted late to ensure the accuracy of information from different sources.

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I. Background and mandate

1. United Nations General Assembly resolution A/67/221 calls on United Nations entities to provide technical assistance to countries graduating from the list of least developed countries (LDCs) and to consider the extension and gradual phase-out of LDC-specific support in terms of technical support, funding and travel benefits to graduated countries. The resolution also calls on the LDCs to interact with graduated countries to obtain information, discuss experience and share lessons learned.

2. The Subsidiary Body for Implementation, at its forty-seventh session, requested the secretariat to prepare a report on the provisions for support and flexibility provided to the LDCs under the Convention and the Paris Agreement and on how the provisions can assist the LDCs in making a smooth transition from LDC status, in the light of United Nations General Assembly resolution A/67/221.[1]

3. The LDCs are considered as low-income developing countries suffering from severe structural impediments to sustainable development.[2] There are currently 47 countries in the LDC category: 33 in Africa, 13 in Asia and the Pacific and 1 in Latin America.[3]

4. The identification of LDCs is currently based on the following three criteria:[4]

(a) Gross national income (GNI), based on a three-year average estimate of GNI per capita for the period 2011–2013, using the World Bank Atlas method (under USD 1,035 for inclusion and above USD 1,242 for graduation, as applied in the 2015 triennial review of the list of LDCs by the Committee for Development Policy (CDP) of the United Nations Economic and Social Council);

(b) Human assets index (HAI), based on indicators of nutrition (using the percentage of population undernourished), health (using the mortality rate for children five years of age or under), education (using the gross secondary school enrolment ratio) and adult literacy rate;

(c) Economic vulnerability index (EVI), based on indicators of population size; remoteness; merchandise export concentration; share of agriculture, forestry and fisheries in gross domestic product; share of population in low-elevation coastal zones; instability of exports of goods and services; victims of natural disasters; and instability of agricultural production.

5. CDP is mandated to undertake a review of the list of LDCs and to advise which countries should be added to or graduated from LDC status based on the specific criteria and procedures.[5] To become eligible for graduation, a country must reach threshold levels for graduation for at least two of the above-mentioned criteria or its GNI per capita must exceed at least twice the threshold level, and the likelihood that the level of GNI per capita is sustainable must be deemed high. To be recommended for graduation, a country must be found eligible at two successive triennial reviews by CDP.

6. According to CDP, Angola and Vanuatu are scheduled to graduate in 2021 and 2020, respectively.[6] Bhutan, Kiribati, Sao Tome and Principe, and Solomon Islands will be recommended for graduation to the United Nations Economic and Social Council.[7] Nepal and Timor-Leste met graduation thresholds for the first time in 2015. Fourteen other LDCs also met at least one criterion for graduation in 2015, namely Bangladesh (EVI), Benin (EVI), Cambodia (HAI), Democratic Republic of the Congo (EVI), Djibouti (GNI),

[1] FCCC/SBI/2017/19, paragraph 58.

[2] See http://unohrlls.org/about-ldcs/.

[3] A list of LDCs as at March 2018 is provided in the annex. An updated list is maintained at https://www.un.org/development/desa/dpad/wp-content/uploads/sites/45/publication/ldc_list.pdf.

[4] See https://www.un.org/development/desa/dpad/least-developed-country-category/ldc-criteria.html.

[5] See https://www.un.org/development/desa/dpad/least-developed-country-category/ldc-graduation.html.

[6] As footnote 5 above.

[7] See https://www.un.org/development/desa/en/news/policy/4-countries-suggested-for-ldc-graduation.html.

Ethiopia (EVI), Guinea (EVI), Lesotho (GNI), Mauritania (GNI), Myanmar (HAI), Sudan (GNI), Uganda (EVI), United Republic of Tanzania (EVI) and Zambia (GNI).[8] In addition, a number of the LDCs (Bangladesh, Bhutan, Cambodia, Lao People's Democratic Republic, Myanmar and Nepal) have announced their ambition to graduate from LDC status around 2020.[9]

7. The Programme of Action for the Least Developed Countries for the Decade 2011–2020,[10] also called the Istanbul Programme of Action, sets an ambitious objective of enabling half of the LDCs to meet the criteria for graduation by 2020. This Programme guides overall support to the LDCs by the international community. Its overarching goal is that the LDCs overcome structural challenges to eradicating poverty, achieving internationally agreed-upon development goals and enabling graduation from LDC status.

8. A number of resources have been set up to support the LDCs and relevant stakeholders in the graduation and smooth transition of the countries from LDC status. These include:

(a) The Gradjet tool,[11] developed by the CDP secretariat with the help and input of various international agencies and entities, to help government officials from the LDCs, as well as the development community, with essential information and the processes involved before, during and after a country graduates from LDC status;

(b) Support measures portal for the LDCs, developed by the United Nations Department of Economic and Social Affairs, to provide information related to the international support measures made available to the LDCs;[12]

(c) Ex ante impact assessments of the likely consequences of graduation on economic growth and development after a country has been found eligible for graduation for the first time, prepared by the Development Policy and Analysis Division in the United Nations Department of Economic and Social Affairs.[13]

II. Support and flexibility provided to the least developed countries under the Convention and the Paris Agreement

A. Overview

9. Article 4, paragraph 9, of the Convention states that "the Parties shall take full account of the specific needs and special situations of the least developed countries in their actions with regard to funding and transfer of technology". This has served as the basis for the establishment of an LDC work programme and the overall support and flexibility provisions extended to the LDCs under the Convention and the Paris Agreement. The Paris Agreement takes full account of the specific needs and special situations of the LDCs with regard to funding and transfer of technology, and contains various provisions for support and flexibility to the LDCs.[14]

10. The available support and flexibility provisions provided to the LDCs under the Convention and the Paris Agreement are summarized in paragraphs 11–24 below.

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[8] See Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States. 2017. *A Guide to Least Developed Country Graduation*. Available at http://unohrlls.org/custom-content/uploads/2017/11/UN_Graduation_Booklet_2017_LowRes.pdf.

[9] General Assembly document A/70/292, paragraph 16.

[10] See http://unohrlls.org/about-ldcs/istanbul-programme-of-action.

[11] See https://www.gradjet.org.

[12] https://www.un.org/ldcportal.

[13] See https://www.un.org/development/desa/dpad/document_cdp/ldc-resources/country-reports/impact-assessments.

[14] For example, Article 9, paragraphs 4 and 5, of the Paris Agreement.

B. Least developed countries work programme

11. In 2001, the Conference of the Parties (COP) established a work programme for the implementation of Article 4, paragraph 9, of the Convention.[15] The current work programme[16] contains the following elements:

(a) Strengthening existing and, where needed, establishing national climate change secretariats and/or focal points to enable the effective implementation of the Convention and the Kyoto Protocol in the LDC Parties;

(b) Providing ongoing training in negotiating skills and language, where needed, to develop the capacity of negotiators from the LDCs to participate effectively in the climate change process;

(c) Supporting the preparation of national adaptation programmes of action (NAPAs);

(d) Promoting public awareness programmes to ensure the dissemination of information on climate change issues;

(e) Developing and transferring technology, particularly adaptation technology (in accordance with decision 4/CP.7);

(f) Strengthening the capacity of meteorological and hydrological services to collect, analyse, interpret and disseminate weather and climate information to support the implementation of NAPAs.

12. The LDC work programme serves as the operational basis for supporting the LDCs under the Convention. Through NAPAs, LDCs have been able to, inter alia, establish institutional arrangements for addressing climate change adaptation, raise awareness and garner political buy-in on adaptation, and implement projects and programmes to address their urgent and immediate adaptation needs. NAPAs are widely viewed as a success story.[17] A number of organizations have collaborated in providing training on negotiating skills and language to the LDCs and a global support project has been implemented to advance the capacity of the LDCs to participate effectively in negotiations (see para. 18(b) below). Several initiatives have also been implemented to support the strengthening of the capacity of meteorological and hydrological services. Examples include the Programme on Climate Information for Resilient Development in Africa[18] being implemented by the United Nations Development Programme in 12 African countries to strengthen national climate information systems.

C. Least Developed Countries Expert Group

13. The Least Developed Countries Expert Group (LEG) was established in 2001 and is currently mandated to provide technical guidance and support to the LDCs on the process to formulate and implement national adaptation plans (NAPs), the preparation and implementation of NAPAs and the implementation of the LDC work programme.[19] The LEG is also mandated to provide technical guidance and advice on accessing funding from the Green Climate Fund (GCF) for the process to formulate and implement NAPs, in

[15] Decision 5/CP.7, paragraphs 11–17.

[16] The work programme is under consideration for updating (see decision 19/CP.21, para. 3).

[17] See Least Developed Countries Expert Group. 2011. *Best Practices and Lessons Learned in Addressing Adaptation in the Least Developed Countries through the National Adaptation Programme of Action Process*. Volume 1. Available at https://unfccc.int/resource/docs/publications/ldc_publication_bbll_2011.pdf.

[18] See http://adaptation-undp.org/projects/programme-climate-information-resilient-development-africa-cirda.

[19] See https://unfccc.int/process/bodies/constituted-bodies/least-developed-countries-expert-group-leg/leg-mandate.

collaboration with the GCF secretariat.[20] Furthermore, the LEG is mandated to engage a wide range of organizations in implementing its work programme.

14. The LEG supports the LDCs through a variety of modalities, including technical guidance to the countries; technical guidelines; technical papers; training activities; workshops; expert meetings; NAP Expos; case studies; capturing and sharing of experience, best practices and lessons learned; NAP Central; monitoring of progress, effectiveness and gaps; collaboration with other bodies, programmes and organizations; and promotion of coherence and synergy.

15. The activities of the LEG are focused on and based on the needs of the LDCs.

D. Least Developed Countries Fund

16. In 2001, the COP established a Least Developed Countries Fund (LDCF) to support the LDC work programme, including the preparation and implementation of NAPAs.[21]

17. As at 9 August 2017, total cumulative donor pledges to the LDCF amounted to USD 1.32 billion. Of this, USD 1.2 billion had been accessed by 51 countries[22] for the preparation of NAPAs and the subsequent implementation of urgent and immediate priorities identified therein, as well as for activities to enable the process to formulate and implement NAPs.

18. The LDCF has also provided funding for two global projects for supporting the LDCs:

(a) USD 4.7 million for the National Adaptation Plan Global Support Programme.[23] The programme supported the LDCs in advancing the preparatory work on NAPs;

(b) USD 4 million for a project titled "Building capacity for LDCs to participate effectively in intergovernmental climate change processes".[24] The programme supported training of senior government officials from the LDCs, development of a negotiation strategy and development of several knowledge management products.

E. Support provisions in relation to the Green Climate Fund

19. There are at least two provisions aimed at facilitating a focus on the LDCs under the GCF. Firstly, according to the Governing Instrument for the GCF,[25] in allocating resources for adaptation, the GCF Board will take into account the urgent and immediate needs of developing countries that are particularly vulnerable to the adverse effects of climate change, including the LDCs, small island developing States (SIDS) and African States, using minimum resource allocation for these countries as appropriate. Secondly, COP 21 requested the GCF to expedite support for the LDCs and other developing country Parties for the formulation of NAPs, consistently with decisions 1/CP.16 and 5/CP.17, and for the subsequent implementation of policies, projects and programmes identified by them.[26]

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[20] Decision 19/CP.21, paragraph 2(c).

[21] Decision 5/CP.7, paragraph 12.

[22] This includes four countries that have since graduated from LDC status: Cabo Verde (2007), Equatorial Guinea (2017), Maldives (2011) and Samoa (2014).

[23] Based on a global project under the LDCF titled "Assisting least developed countries (LDCs) with country-driven processes to advance national adaptation plans (NAPs)". See Global Environment Facility report GEF/LDCF.SCCF.16/04, annex I. More information on the National Adaptation Plan Global Support Programme is available at http://www.undp-alm.org/projects/naps-ldcs.

[24] See Global Environment Facility document GEF/LDCF.SCCF.16/04, annex I.

[25] Available at https://www.greenclimate.fund/who-we-are/about-the-fund/governance.

[26] Decision 1/CP.21, paragraph 46.

F. Travel support

20. The financial procedures for the COP, its subsidiary bodies and its permanent secretariat contain the provision[27] for the establishment of the Trust Fund for Participation in the UNFCCC Process to support the participation of eligible representatives from developing country Parties and Parties with economies in transition in the meetings of the COP and its subsidiary bodies. Two representatives from each LDC Party are funded for participation in the sessions of the subsidiary bodies, and three representatives are funded for participation in the sessions of the COP.

21. At least two delegates per LDC Party are supported to participate in training workshops conducted by the LEG, subject to the availability of adequate resources. Priority is also accorded to the LDCs in other workshops and events organized under the COP and its subsidiary bodies.

G. Flexibility regarding reporting

22. Pursuant to Article 12 of the Convention, all Parties are obliged to communicate to the COP information relevant to the implementation of the Convention. This includes a national inventory of greenhouse gases and policies and measures to implement the Convention. The reporting provisions and the timetable for the submission of national reports for the LDCs and SIDS are different from those for the other Parties not included in Annex I to the Convention (non-Annex I Parties). For the national communications, non-Annex I Parties should submit their reports every four years or in accordance with any further COP decisions on frequency, taking into account a differentiated timetable and the prompt provision of financial resources to cover the agreed full costs incurred by non-Annex I Parties in preparing their national communications.[28] Non-Annex I Parties were required to submit their first biennial update reports by December 2014, while the LDCs and SIDS may do so at their discretion.[29]

23. All Parties except the LDCs and SIDS are obliged to submit information at least every two years in relation to Article 13, paragraphs 7, 8, 9 and 10, of the Paris Agreement. Such information includes a national inventory of greenhouse gases, information to track the implementation of nationally determined contributions, information on impacts and adaptation, and support provided and received. The LDCs and SIDS may submit this information at their discretion.[30]

H. Flexibility regarding financial contributions to the budget

24. Under its financial procedures, its subsidiary bodies and its permanent secretariat, the COP adopted a scale of financial contributions adjusted to ensure that no Party contributes less than 0.01 per cent of the total, that no one contribution exceeds 25 per cent of the total and that no contribution from an LDC Party exceeds 0.01 per cent of the total.[31]

III. How the provisions can assist countries in making a smooth transition from least developed country status

25. Further to the provisions of resolution A/67/221 mentioned in paragraph 1 above, the United Nations General Assembly, by its resolution 68/224, requested all relevant organizations of the United Nations system, led by the United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and

[27] United Nations General Assembly resolution 45/212, and decision 16/CP.2, paragraph 8(b).
[28] Decision 1/CP.16, paragraph 60.
[29] Decision 2/CP.17, paragraph 41(a).
[30] Decision 1/CP.21, paragraph 90.
[31] Decision 15/CP.1, annex I, paragraph 7(a).

the Small Island Developing States, to extend necessary support to the LDCs that aspire to graduate in the elaboration of their graduation and transition strategy.

26. According to the United Nations General Assembly assessment of the implementation, effectiveness and added value of smooth transition measures,[32] current international support measures for the LDCs fall under the following three categories:

(a) Official development assistance;

(b) Trade-related measures;

(c) Other measures such as budget allocations to LDC-specific funding mechanisms, caps on LDC contributions to the budget and travel support.

27. Support measures for the LDCs under the Convention fall under the category listed in paragraph 26(c) above.

28. The LDCF could continue to fund projects that were in the pipeline at the time when a country was recommended for graduation. Other ways by which the countries could be supported to continue to mobilize resources for climate change actions, given their special circumstances, may include:

(a) Provision of more information on available channels for support for the implementation of the Convention and the Paris Agreement. The United Nations General Assembly in its resolution A/RES/67/221, for example, recognizes the importance of making available information about LDC-specific support measures and related smooth transition measures in the areas of financial support, technical assistance and trade-related measures, including their time frames, characteristics and modalities;

(b) Capacity assistance with applications for donor support;

(c) Ways to leverage other partners for support, including the private sector.

29. Regarding technical support, graduating countries could be assisted on how best to strengthen their capacity for addressing climate change adaptation as part of their graduation and transition strategies. This may involve:

(a) Extension of dedicated support by the LEG for a given period, upon request by the countries, including through case studies;

(b) Support for the consideration of climate change, in alignment with countries' nationally determined contributions, in developing and implementing a graduation and transition strategy;

(c) Increased support for national institutions;

(d) Enhanced efforts on technology development and transfer.

30. Regarding reporting, specific support could be provided to the countries to take stronger leadership and ownership of their reporting requirements under the Convention and the Paris Agreement.

31. Regarding travel support, LDC-specific support for travel to the sessions and related events of the Convention and the Paris Agreement could be extended for a given period of time, after which the graduated countries would benefit for support as all other eligible non-LDCs do.

IV. Further considerations

32. In addition to the possible extension of support measures to graduating and graduated countries, some important factors may need to be considered.

33. The length of the gradual phase-out period of LDC-specific support may need to take into account the time it takes to access funding. For example, under the LDCF,

[32] United Nations General Assembly document A/70/292.

countries need to prepare funding proposals that may take 6–18 months, after which funding may be provided.

34. Climate change aggravates structural impediments to sustainable development faced by the LDCs and the indicators used to identify the LDCs. Reducing vulnerability to climate change should therefore be seen as an integral element of the graduation and transition strategies of the LDCs.

35. Measures of support for graduation and smooth transition need to be developed in close consultation with the countries, taking full consideration of the specific needs and circumstances of the country.

Annex

List of least developed countries as at March 2018[1]

Afghanistan (1971)[2]
Angola (1994)
Bangladesh (1975)
Benin (1971)
Bhutan (1971)
Burkina Faso (1971)
Burundi (1971)
Cambodia (1991)
Central African Republic (1975)
Chad (1971)
Comoros (1977)
Democratic Republic of the Congo (1991)
Djibouti (1982)
Eritrea (1994)
Ethiopia (1971)
Gambia (1975)
Guinea (1971)
Guinea-Bissau (1981)
Haiti (1971)
Kiribati (1986)
Lao People's Democratic Republic (1971)
Lesotho (1971)
Liberia (1990)
Madagascar (1991)
Malawi (1971)
Mali (1971)
Mauritania (1986)
Mozambique (1988)
Myanmar (1987)
Nepal (1971)
Niger (1971)
Rwanda (1971)
Sao Tome and Principe (1982)
Senegal (2000)
Sierra Leone (1982)
Solomon Islands (1991)
Somalia (1971)
South Sudan (2012)
Sudan (1971)
Timor-Leste (2003)
Togo (1982)
Tuvalu (1986)
Uganda (1971)
United Republic of Tanzania (1971)
Vanuatu (1985)
Yemen (1971)
Zambia (1991)

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[1] Source: https://www.un.org/development/desa/dpad/wp-content/uploads/sites/45/publication/ldc_list.pdf

[2] Year in parentheses indicates the year of inclusion on the list of least developed countries.